

ID: CCA_2010010712240906

Number: **201005039**

Office:

Release Date: 2/5/2010

UILC: 38.00-00

From:

Sent: Thursday, January 07, 2010 12:24:16 PM

To:

Cc:

Subject: RE: WOTC Carry Forwards

Section 8214(a) of the Small Business and Work Opportunity Tax Act of 2007 (Act) added §38(c)(4)(B)(iv) [now §38(c)(4)(B)(viii) after being renumbered by the Housing Assistance Tax Act of 2008 and Tax Extenders and Alternative Minimum Tax Relief Act of 2008] to include the credit determined under §51 in the list of specified credits that may offset the alternative minimum tax liability.

Section 8214(b) of the Act provides that the amendment made by section 8214 applies to credits determined under §51 in taxable years beginning after 2006 and to carrybacks of such credits. Under §38(c)(4), the tentative minimum tax is treated as zero for purposes of determining the tax liability limitation for the §51 credit, but only for §51 credits determined in taxable years beginning after 2006. Thus, any §51 credits determined in taxable years beginning before 2007 may not offset any alternative minimum tax liability even if the credit is carried forward to a taxable year beginning after 2006.